

FILED

OCT 14 1999

CERTIFICATE OF MERGER

OF

K. HOVNANIAN PORT IMPERIAL URBAN RENEWAL, INC.

INTO

K. HOVNANIAN AT NEWARK URBAN RENEWAL III, INC.

The undersigned corporations, organized and existing by virtue of the Business Corporation Law of the State of New Jersey, do hereby certify:

First: That the name and state of incorporation of each of the constituent corporations of the merger are as follows:

<u>NAME</u>	<u>STATE</u>
K. Hovnanian Port Imperial Urban Renewal, Inc.	New Jersey
K. Hovnanian at Newark Urban Renewal III, Inc.	New Jersey

Second: That a Plan of Merger has been approved and the surviving corporation shall be K. Hovnanian at Newark Urban Renewal III, Inc. The Certificate of Incorporation shall be that of the surviving corporation.

Third: That the Plan of Merger was approved, adopted, certified, executed and acknowledged by each of the constituent corporations. The Plan of Merger was approved by the Board of Directors of the surviving corporation, K. Hovnanian at Newark Urban Renewal III, Inc. and no vote of the shareholders of K. Hovnanian at Newark Urban Renewal III, Inc. was required because the merger is governed by NJSA 14A:10-3(4).

Fourth: That the shareholders of K. Hovnanian Port Imperial Urban Renewal, Inc. approved the Plan of Merger on April 1, 1999.

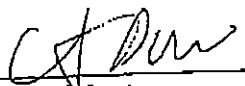
Fifth: That the number of shares entitled to vote of K. Hovnanian Port Imperial Urban Renewal, Inc. was 100 shares, of which all 100 were voted in favor of the Plan of Merger and none against the Plan of Merger.

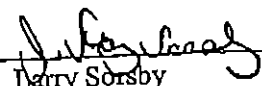
Sixth: That the executed Plan and Agreement of Merger dated as of April 1, 1999 by and among K. Hovnanian Port Imperial Urban Renewal, Inc. and K. Hovnanian at Newark Urban Renewal III, Inc. (the "Merger Agreement") is on file at the principal

place of business of the surviving corporation, 10 Highway 35, P.O. Box 500, Red Bank,
New Jersey 07701.

ATTEST:


K. HOVNANIAN AT NEWARK
URBAN RENEWAL III, INC.



Peter S. Reinhart
Secretary


By: J. Larry Sorsby
Senior Vice President &
Chief Financial Officer

ATTEST:

K. HOVNANIAN PORT IMPERIAL
URBAN RENEWAL, INC..


Peter S. Reinhart
Secretary


By: J. Larry Sorsby
Senior Vice President &
Chief Financial Officer

Date: April 1, 1999